



THREE PERSONALIZATION IMPERATIVES DURING THE CRISIS

By Lauren Wiener, Mark Abraham, and Mitch Colgan

MOUNTING ECONOMIC UNCERTAINTY paired with a sharp downturn in consumer sentiment present a real challenge for brands charting the appropriate response to COVID-19. The rebound from the pandemic will be uneven across markets and categories, and we may face multiple waves of lockdown—as countries in Asia have already seen. In this environment, brands that can personalize their approach to where and how they engage customers and invest in paid media selectively will win a disproportionate share of sales in the rebound. But with severely reduced marketing budgets and delays in key martech investments at most companies, this will be a daunting challenge. What can brands do?

Here are three imperatives for marketers who want to come out of the recovery period at full speed.

Activate “Just-in-Time” Personalization

In normal times, the value of personaliza-

tion is based on the premise that brands can use advanced analytics combined with a test-and-learn capability to reach consumers with the right message, delivered through the right channel, at the right time. Getting it right isn’t easy, but plenty of companies have shown that interacting with customers on a one-to-one level can drive step-change incremental growth.

Before the crisis, many personalization programs focused first on getting the message right. Fashion brands invested in highly tailored editorial content, for example, while travel companies adjusted their copy and imagery for different consumer types, and restaurant and food brands curated individualized product recommendations based on predicted preferences and needs.

As we enter the “fight” phase of the recovery (which is unlikely to be either straight or rapid), what we call just-in-time personalization will be the key to winning customers and market share. Markets, categories, and customer segments will rebound

at their own speed and on their own trajectories. Data from previous communications with customers will be helpful, but companies must also be able to assess such factors as when local stores reopen and when specific products again become available.

To enable just-in-time personalization, companies need to build the capability to rapidly sense shifts in demand based on high-frequency leading indicators. By integrating real-time market-level data (consumer spending forecasts, footfall data, credit card spending) with digital indicators (web traffic, online search trends) and pairing this information with epidemiological models, businesses can decide which markets to focus on and which customers they need to reach.

One prominent fitness franchise, for example, is using data and analytical models to determine which of its studios to open and at what capacity; it then triggers emails and push notifications and shifts digital marketing spending to customers in relevant markets. Restaurants may have the most to gain, with many planning to increase volume through a mix of staged reopenings, market-specific promotions, and digital marketing spending. Starbucks is integrating local drive-through sales data and customer patterns during the lockdown period with epidemiological data, local government measures, and store-level consumer and employee sentiment data to decide when to reopen stores and how to allocate marketing dollars.

Build the Foundation for Digital Relationships

Customers who once engaged with brands only in physical channels are now engaging digitally in unprecedented numbers—via websites, apps, and delivery options. A wide range of categories, from home improvement chains to large apparel brands, have seen downloads of their mobile apps soar since the crisis began, as customers move online. Our research in Asia-Pacific in April showed more than 20% of consumers buying online in completely new categories.

As brands experience increased traffic to their digital platforms, the most important steps are to capture as much information about customers as possible and to obtain customers' consent to receive marketing messages long term. Yet many brands do not make it easy for customers to opt in to communications across channels. Now is the time to rapidly review the signup process to make it customer friendly.

Most brands begin capturing first-party data as soon as a purchase has been completed, but there are opportunities to start the relationship even earlier by getting customers to sign up for email, join a loyalty program, or download a mobile app. Brands that already have these tools in place can promote them through digital channels to maximize visibility. In the world of personalized marketing, such tactics will continue to drive value long after the COVID crisis recedes.

Fundamental to managing digital relationships is leveraging a customer data platform to manage first-party data. Brands often struggle to find ways to communicate with shoppers across numerous interactions in different channels. Now more and more marketers are using consumer data platforms to help create a single, 360-degree view of each customer. One luxury department store chain found that some customers had more than five different personas in its CRM system because they had shopped at different stores and used different email addresses to check out online. The ability to determine who is engaging with your website, mobile app, and social media channels can result in a more personalized experience for both new and existing customers, and it can enhance your relationships with those customers as commercial activity rebounds.

Create Emotional Connections and Drive Sales via Direct Channels

With the pace of change in e-commerce accelerated by the pandemic, leading brands are leveraging direct-to-consumer channels to increase communication—and ultimate-

ly sales—with new target audiences. The key imperative for any company is to use creative tools, data, and digital platforms to recreate communities and shopping experiences virtually.

Nike moved quickly to encourage personal and public safety with its social media message, “If you ever dreamed of playing for millions around the world, now is your chance. Play inside, play for the world.” It then backed up the message with free access to previously premium content on its mobile app, including workout videos led by its team of “master trainers.” Other marketers are using social media, as well as e-commerce sites such as Amazon, to drive demand to their own channels, where they can create a differentiated experience with special content, community and educational activities, customer service, and exclusive access. Sephora has raised its profile on TikTok and other social media platforms to connect with beauty enthusiasts of all ages. It targets loyalists with unique benefits and holds a “daily bazaar” on Tuesdays and Thursdays where top-tier loyalists can redeem limited awards. Some brands are innovating even further. Virtual and augmented-reality technologies such as Farfetch’s fitting app can replace the entire in-store experience with a virtual one.

This emphasis on direct-to-consumer channels is accelerating in markets that are further along on the COVID recovery journey.

China saw a rise in time spent on digital channels, online TV, short-video viewing, and social media during its COVID-19 outbreak. Seizing on that trend, major brands such as Procter & Gamble and Adidas have begun to livestream on TikTok and Taobao Live, encouraging consumers to place digital orders on the streaming shows of key opinion leaders and influencers. Other brands, such as Erdos, have enabled social commerce via WeChat and encouraged employees to leverage their own networks of friends and followers and WeChat groups. Large restaurant chains also have been establishing new direct-sales platforms, in addition to contactless delivery, to reach consumers in their homes. Beijing-based restaurant chain Meizhou Dongpo established a virtual grocery store on WeChat to sell fresh produce and its own sauces directly to customers.

THE COVID CRISIS has revealed that for many brands the status quo is not sustainable, and marketing initiatives must mirror the new marketing reality. Customer expectations are evolving faster than ever, and leading brands are already showing the way forward. As the market rebounds in each geography and category, brands that have taken to heart the mantra of just-in-time personalization, digital customer relationships, and emotional connection will win.

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